

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1954 - HB 1892**

March 5, 2014

**SUMMARY OF BILL:** Establishes electrical standards for marinas. Requires all commercial marinas to have an electrical inspection prior to April 1, 2015, and annually thereafter. Requires marinas to post signage prohibiting swimming within 100 yards of the dock. Establishes a Class A misdemeanor for violations of the bill's requirements. If a violation results in death, the penalty is increased to a Class E felony. The State Fire Marshall will be charged with enforcing the requirements of the bill.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$2,033,100**

**Increase State Expenditures – \$2,041,200**

**Other Fiscal Impact – If, upon inspection, locally owned marinas are found to have electrical components that do not meet the standards required by the bill, there will be an increase in local government expenditures to correct these deficiencies. The amount of such increase cannot be quantified due to multiple unknown variables such as the number of marinas owned by local entities, the state of their current electrical systems and the extent of repairs identified as necessary by the required inspection.**

**Assumptions:**

- 300 marinas would need to be inspected each year.
- The average cost of a marina inspection would be \$6,777.
- The recurring increase in state expenditures associated with the annual inspections is estimated to be \$2,033,100 (300 x \$6,777).
- Marinas will be charged an amount equivalent to the cost of conducting the inspections. Therefore, a recurring increase in state revenue of \$2,033,100 (300 x \$6,777).
- Based on information provided by the Department of Commerce and Insurance (DCI), 85 percent will be paid to the contracted inspector; 15 percent will be retained by DCI for covering the cost of administration. It is assumed that 100 percent of funds retained by DCI will be expended for administering the electrical inspection program.

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- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- The proposed legislation will result in one Class E felony admission every three years.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- The proposed legislation limits the time served to one year.
- A recidivism discount of 32.03 percent applies, but due to the low number of admissions added by this legislation, the recidivism discount does not impact the incarceration cost for the proposed legislation.
- According to the Department of Correction (DOC), the average operating cost per offender per day for calendar year 2014 is \$66.29.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender every three years serving one year (365.25 days) for a total of \$8,070.81  $[(\$66.29 \times 365.25 \text{ days}) / 3]$ .
- Due to the low number of convictions the bill would result in, it is assumed that the courts, district attorneys, and public defenders can accommodate any impact to their caseloads within existing resources.
- The total increase in state expenditures is estimated to be \$2,041,171 (\$2,033,100 + \$8,071).

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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